

Ratio Study Narrative 2023

General Information	
County Name	Clark

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Ken Surface	317-753-5555	ken@nexusltd.co	Nexus LTD

Sales Window	1/1/2022 to 12/31/2022
If more than one year of sales were used, was a time adjustment applied?	If no, please explain why not.
Sales window of 1/1/2022 thru 12/31/2022 was the predominate use.	There was no time adjustment as the majority of the sales were from the vacant residential class and with no paired sales and the lack of uniformity in vacant parcels, an adjustment percentage could not be calculated with any accuracy. For the improved residential category, there were two few sales occurring in both 2021 & 2022 to accurately calculate a time adjustment
The window was expanded to include sales from 1/1/2021 thru 12/31/2021 for the following classes and townships due to a lack of sales in 2022 <u>Residential Vacant</u> : Carr, Charlestown, Jeffersonville, Monroe, Union & Utica – a total of 50 sales amongst all townships were used <u>Residential Improved</u> : Beth & Owen – with Beth and Owen being grouped together – total of 12 sales	
The study used all of the same 2021 sales from the 2022 ratio study within these classes and townships unless a significant change took place	If yes, please explain the method used to calculate the adjustment.

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Groupings

Please provide a list of township and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in market. **Please note that groupings made for the sole purpose of combining due to a lack of sales with no similarities will not be accepted by the Department******

Commercial Improved: ICCharJeff = The townships of Charlestown and Jeffersonville were combined together. These two townships border each other and share annexed areas as commercial areas transition from one township into the other. These same two townships required grouping in the 2020, 2021 and 2022 study

Improved Residential: BethOwenIR = The townships of Bethlehem and Owen are two adjacent rural townships in the NE corner of the county that both share the same school corporation. These same two townships required grouping in the 2022 study and in prior years as well.

Statistical studies were not complete in the classes of Industrial Vacant and Industrial Improved, due to lack of parcels and sales in this class for any of the townships. This was the same scenario for the 2021 & 2022 study. A statistical study was also not completed for the Commercial Vacant Class as there are not enough sales. Only the township of Silver Creek had enough sales in the 2022 study, but it too fell short of activity this year.

Commercial Improved – All townships excluding (Charlestown, Jeffersonville & Silver Creek) had inadequate numbers to complete a study despite expanding the sales period and these townships are not commercial comparable to the other populated townships. As stated above, Charlestown and Jeffersonville were combined together.

Residential Vacant – Due to the lack of sales statistical studies were not completed for the townships of Beth, Oregon, Owen, Silver Creek, Washington and Wood. These same five (5) townships did not have enough sales to conduct a study for the 2021 and 2022 ratio study.

AV Increases/Decreases

If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.

Property Type	Townships Impacted	Explanation
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Commercial Improved	Bethlehem Charlestown Utica	\$3330 increase -land base rate change Land base rate changes, new const., and reassessment of twp. 8 new improved parcels, new const. and reassessment of twp.
Commercial Vacant	Bethlehem Charlestown Jeffersonville Utica Wood	1 parcel with \$3700 difference 15 new parcels accounted for 84% of the change 16 new parcels accounted for 99% of the change 8 new parcels accounted for 76% of the change Land base rate change
Industrial Improved	Utica	2 new parcels, new construction & reassessment of all large industrial warehouses
Industrial Vacant	Charlestown Utica Wood	Land base rate change Decrease due 1 parcel splitting, balance reclassified, accounts for entire decrease Land base rate change
Residential Improved	Charlestown Jeffersonville Oregon Silver Creek Union Utica Washington	Trending and reassessment of entire twp. 233 new or previously vacant parcels account for 15% of increase, balance was trending 5 new parcels account for 18% of increase, balance new const. and trending 52 new houses accounted for 17% of the inc, additional new const and trending 44 new houses accounted for 31% of the inc., additional new const. and trending 183 either new or now improved parcels account for 39% of increase, balance other new const. and trending 18 parcels had change in class code, accounts for 38% of increase. Balance trending
Residential Vacant	Carr Charlestown	11 new parcels and land base rate changes 116 new parcels, land base rate changes and reassessment

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	Jeffersonville	139 new parcels account t for 61% of increase
	Monroe	25 new parcels accounts for 28% of increase, balance base rate changes
	Silver Creek	112 new parcels account for 26% of increase, land base rate changes
	Union	73 new parcels, new parcels & removal of Dev. Disc accounted for 64% of the increase
	Utica	306 new parcels accounted for 62% of the increase

Cyclical Reassessment

Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.

The townships of Charlestown, Utica and Washington were the predominate townships reassessed this cycle. Additional individual parcels were also reassessed to complete the required percentages for their classifications. See the Clark Workbook file for a complete list of reassessed parcels.

Was the land order completed for the current cyclical reassessment phase? If not, please explain when the land order is planned to be completed.

Annual adjustments to the land order were completed and will be implemented for the 2023assessment date

Comments

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In this space, please provide any additional information you would like to provide the Department in order to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment practices (e.g. effective age changes), a timeline of changes made by the assessor's office, or any other information deemed pertinent.

When determined appropriate, the standard operating procedure (SOP) for making effective age changes is based upon the following:

- Additions – compute an effective age based upon utilizing the original year constructed, the original square footage, the additional square footage added and any additional renovations taking place in the year of construction establishing a weighted average of all the components of value.
- Remodels/Renovations – compute an effective age based utilizing the original year constructed, the percentage of the entire house that was renovated, utilizing the DLGF percentage of completion chart to assist in establishing a weighted average of all the components of value).

IAAO Ratio Study standards indicate that “outlier ratios” can result from any of the following:

1. An erroneous sale price
2. A nonmarket sale
3. Unusual market variability
4. A mismatch between the property sold and the property appraised
5. An error in the appraisal of an individual parcel
6. An error in the appraisal of a subgroup of parcels
7. Any of a variety of transcription or data handling errors in preparing any ratio study

Outliers should be:

1. Identified
2. Scrutinized to validate the information and correct errors
3. Trimmed if necessary, to improve sample representativeness

As a result, there were individual parcels that met these guidelines and were trimmed. Reference the file titled Clark Reconciliation File for those sales that were trimmed

OTHER: There are 20 sales that were used in the vacant residential portion of the study, that are now improved parcels. The formatted tab will reflect only the land value in the Current Total AV, whereas the Workbook file, the Current Total AV will reflect its total value (land and improvements).

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